

Legislative Audit Division

State of Montana



Report to the Legislature

November 1997

Performance Survey Report

Personnel Classification

**Department of Administration
State Personnel Division, Classification and Pay Bureau**

This survey report discusses:

- ▶ **The statewide personnel classification system.**
- ▶ **Delegation of authority for classifying positions.**
- ▶ **Development of a new competency-based classification system.**
- ▶ **Potential issues and concerns.**

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PERFORMANCE AUDITS

Performance audits conducted by the Legislative Audit Division are designed to assess state government operations. From the audit work, a determination is made as to whether agencies and programs are accomplishing their purposes, and whether they can do so with greater efficiency and economy. In performing the audit work, the audit staff uses audit standards set forth by the United States General Accounting Office.

Members of the performance audit staff hold degrees in disciplines appropriate to the audit process. Areas of expertise include business and public administration, statistics, economics, computer science, communications, and engineering.

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November 1997

The Legislative Audit Committee
of the Montana State Legislature:

This is our performance survey of the state's Personnel Classification System in the Classification and Pay Bureau, Department of Administration. This report contains information on statewide personnel classification operations. Based on our survey findings, we recommend additional performance audit work be conducted, but not at this time.

We wish to express our appreciation to Department of Administration personnel, as well as other state agency personnel involved in our survey, for their cooperation and assistance.

Respectfully submitted,

"Signature on File"

Scott A. Seacat
Legislative Auditor

Legislative Audit Division

Performance Survey Report

Personnel Classification

Department of Administration

State Personnel Division, Classification and Pay Bureau

Members of the audit staff involved in this audit were Kent Rice, Kris Wilkinson, and Mike Wingard.

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Appointed and Administrative Officials

Department of Administration

Lois A. Menzies, Director

John McEwen, Acting Administrator, State Personnel Division

Personnel Classification Survey

Introduction

The state personnel classification system aids in developing market-based compensation necessary to attract and retain competent and qualified employees. Employees perform services the state is required to provide its citizens. Most positions in state service are grouped into defined classes based on similarity of duties performed, responsibilities assumed and complexity of work. This is intended to ensure similar qualifications of education, experience, knowledge, skill, and ability are required of applicants for each position in the class. It is also designed to ensure the same title can be used to identify each position and similar pay is provided under the same conditions. This ensures equity for the positions within each class.

The Legislative Audit Committee requested a performance audit of the state's personnel classification system. To effectively utilize audit resources, we conducted a performance survey to determine the scope and amount of audit work to be conducted.

Audit Survey Objectives

The survey objectives were to:

1. Identify the areas of the personnel classification system warranting performance audit work.
2. Obtain data for an informational report to the legislature regarding the current personnel classification system, and system changes proposed by the Department of Administration (department).

Survey Scope and Methodologies

To determine the type and amount of performance audit work necessary, we compared the classification system currently in place with the requirements of Montana statute. We also reviewed current operations of the Classification and Pay Bureau (bureau) responsible for administering the classification system.

We interviewed bureau personnel, observed operations, reviewed file documentation for classification actions and reports related to classification. We interviewed classification personnel in three other state agencies. We also interviewed personnel from the Public Employees Retirement Division (PERD) and reviewed a report relating to reduction in force (RIF) retirement buyouts by agencies.

Personnel Classification Survey

We reviewed statutes and rules, previous performance audit surveys, and available literature regarding classification methodologies. We established three areas for survey evaluation:

Current Classification System - We examined the current classification system to determine the procedures used for classifying positions using the Benchmark Factoring Method (BFM).

Delegation of Authority - We interviewed agency personnel outside the department to determine their procedures for classifying positions. We reviewed PERD documentation of agency buyouts relating to RIF'd positions. We also reviewed bureau documentation of pay plan exceptions.

Competency-Based Pay System - We interviewed bureau personnel and reviewed available information to gain an understanding of the department's plans for developing a new competency-based classification system.

Background

Classification System

In 1973, the legislature directed the department to develop a statewide employee classification system. The intent of the legislature was to establish a uniform system to aid in the employee compensation.

The department assigned responsibility for maintaining the classification system to the bureau. The bureau has 13 full-time equivalent (FTE) positions, including:

- Bureau chief
- 5.5 personnel specialists
- 5.5 payroll positions
- Administrative assistant.

Payroll personnel are responsible for the payroll for the state of Montana.

The state had 13,818 FTE in fiscal year 1995-96, excluding contract faculty of the university system and the legislative branch. Budgeted expenditures for these FTE in fiscal year 1995-96 were \$480,721,502. The personnel classification system helps ensure expenditures for the positions are appropriate. The bureau is responsible for operation and maintenance of the classification system. The total annual budget recorded on SBAS for classification was \$349,166, and for payroll \$625,289, in fiscal year 1996-97. Classification receives 100 percent of its funding from the General Fund.

The statewide personnel classification system excludes the legislative branch and contract faculty. Also excluded are the judicial branch and personal staff of elected officials.

Original System

The department implemented a classification system in 1975 for all executive branch agencies and for non-contract employees within the university system. This original classification system used a job evaluation method called factor-comparison. The factor-comparison method relied on comparing positions to class specifications and to other positions. For this method, major factors were used to guide the comparison process. The factors were: 1) nature of work; 2)

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supervision received; 3) management and supervision of others; 4) personal contacts with the public; and 5) scope and effect of actions and decisions.

Current System

In 1991, the department changed the personnel classification system to a benchmark factoring method (BFM) which used some of the factors noted above. BFM utilizes a point system to determine classification. Seven classification factors are used:

1. Job complexity.
2. Working conditions.
3. Knowledge, skills and abilities.
4. Management and supervision of others.
5. Supervision received.
6. Scope and effect of actions and decisions.
7. Contacts with the general public and other government agencies.

When a position is classified, a job analysis is first completed by a trained classifier. The analysis involves collecting information about responsibilities and requirements of the position. The BFM is then applied to the position. A comparison of position duties is made to the seven classification factors noted above. A score is given to each of the seven factors with the total score calculated for the position. The position's pay grade is determined by the total point score awarded by the BFM. The BFM does not consider the individual in the position. Finally, the position is compared to a "benchmark" position to corroborate the evaluation. Benchmarks list typical duties assigned to representative positions within certain occupations. These benchmark positions were classified by the bureau with agency input and agreement. If a benchmark lacks a particular characteristic or does not exist, benchmarks for similar occupations may be consulted.

Statute provides employees and employee organizations the opportunity to appeal the designation of a position to a class. The appeal process, consisting of multi-level procedures outlined in the administrative rules, progresses from review at the supervisor level to a full hearing before the Board of Personnel Appeals.

Delegation of Authority

Section 2-18-102(2), MCA, allows the department to delegate authority for classifying positions to state agencies which demonstrate the ability to carry out provisions of the classification statutes. The agencies must remain in compliance with policies, procedures, timetables, and standards established by the department. Between 1981 and July 1, 1996, the department granted limited classification authority to:

- The University of Montana.
- Montana State University.
- Department of Public Health and Human Services (formerly the departments of Social and Rehabilitation Services, Family Services, and a portion of Health and Environmental Sciences.)
- Department of Revenue.
- Department of Justice.
- Department of Corrections.
- Department of Transportation.
- Department of Natural Resources and Conservation.

Authority was limited to allocating positions to certain classes within each agency.

The bureau used compliance reviews, referred to as delegation audits, to ensure agencies correctly classified positions by complying with laws and regulations governing classification. The bureau performed delegation audits at these agencies until 1990. According to bureau personnel, these compliance reviews were discontinued due to a lack of manpower created from development of the new BFM.

In July of 1996, the bureau delegated full classification authority to all state agencies. Agencies could now allocate positions to all classes. In addition to agencies previously granted limited authority, the remaining state agencies were also granted full classification authority. These include:

- Department of Labor and Industry.
- Department of Environmental Quality.
- Department of Fish, Wildlife and Parks.
- Department of Livestock.
- Department of Commerce.
- Governor's Office.

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- Secretary of State.
- Montana Historical Society.

MSU-Billings, the Office of Public Instruction, and the State Auditor's Office were the only exceptions. According to bureau personnel, these agencies did not want authority for classification due to a lack of resources.

Currently, the majority of classification actions are completed by the agencies. Bureau personnel stated, due to limited resources, they have focused on providing assistance and training to agency personnel on classification actions. Based on their discussion with agency personnel, the bureau believes this is a more effective use of resources than monitoring agency compliance with classification laws and regulations.

A classification action is completed to classify a new position or to review an existing position. A review is conducted to determine if changes in duties and responsibilities require a change in the classification of a position. Review of an existing position may result in the position being reclassified at a higher pay grade (an upgrade), a lower grade (a downgrade), or the position may remain at the same grade (a denial). The total number of upgrades completed in fiscal year 1996-97 was 1,083. The bureau requires each agency to electronically submit documentation on approved classification actions. See Table 1 for a listing of classification activity for the last three years.

Table 1
Statewide Classification Activity
(FY 1995 through 1997)

	<u>Fiscal Year</u> <u>1994-95</u>	<u>Fiscal Year</u> <u>1995-96</u>	<u>Fiscal Year</u> <u>1996-97</u>
# of Upgrades	1,122	2,029	1,083
# of Downgrades	352	380	156

Source: Compiled by the Legislative Audit Division from bureau records.

For the second quarter of fiscal year 1996-97, 273 position classification upgrades were completed. In the same period 29 positions were downgraded. Information on the number of denials in a period is not maintained. Table 2 identifies classification activity for agencies who have completed more than 20 upgrades.

Table 2
Classification Upgrade & Downgrade Activity
for Agencies With More Than 20 Upgrades
(FY 1996-97)

<u>Agency</u>	<u># of Upgrades</u>	<u># of Downgrades</u>
Justice	22	7
MSU	45	2
FWP	63	4
DEQ	31	3
DOT	175	17
Livestock	75	3
DNRC	33	4
Revenue	35	14
Administration	25	7
Corrections	38	14
Labor & Industry	38	20
DPHHS	413	36

Source: Compiled by the Legislative Audit Division from bureau records.

Competency-based Classification

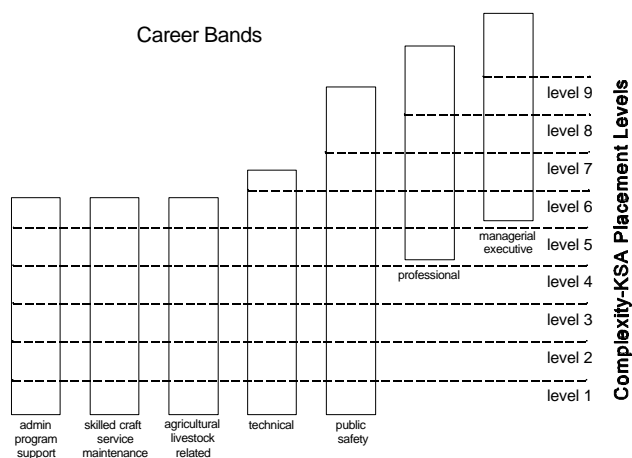
At the request of the Governor's Office, the bureau completed an opinion-type survey of managers and personnel officers in April 1996. The survey was conducted to determine what changes management would recommend to make the classification system more responsive to state agency needs. Agency personnel completing the survey suggested greater flexibility in employee compensation. Based on the survey results, the Governor directed the department to develop an alternative competency-based personnel system for state employees.

Background

Under state law, the department has authority to implement alternative classification systems without first obtaining legislative approval. However, the department sought legislative input on a new classification system during the 1997 legislative session. House Bill 13 included language directing the department to develop an alternative classification and pay system consistent with the market-based approach to pay administration. Market-based pay is determined by the average base salary that various other public and private employers pay to employees in comparable occupations. The bill also required emphasis of individual skills, competencies, and contributions. The legislature included an appropriation of \$5,000 for development of a new system.

The bureau involved a number of state agencies in initial development of the proposed alternative system. Focus groups made up of individuals from various agencies concentrated on specific aspects relating to competencies using brainstorming sessions. Competency is an individual characteristic (combination of knowledge, skills, abilities, behavior) that reliably predicts a certain level of performance. This phase of development is complete. Research and design advisory panels, made up of human resource and other types of managers, were created to assist division staff in revising and finalizing the draft competency model. The work of the research and design teams is ongoing. Under the proposed system, the current pay grade structure made up of 1,535 classified positions will be consolidated into seven broad bands. An individual will have an opportunity to advance their career through attainment of skills and competencies defined in nine placement levels. See Figure 1 for a visual illustration of this model.

Figure 1
Broadband Design Framework
(draft version)



Source: Compiled by the Legislative Audit Division from bureau records.

Development plans also include implementation of a number of pilot projects at various agencies during fiscal year 1997-98. The bureau identified several groups for pilot projects including:

- Social workers (Department of Public Health and Human Services).
- Brand inspectors (Department of Livestock).
- Managers and executives (Department of Commerce).
- Technicians (Department of Transportation).
- Probation and parole officers (Department of Corrections).

Issues and Concerns

Introduction

One survey objective was to determine the type and amount of future audit work necessary. Several potential issues and concerns which we believe warrant additional audit work came to our attention. The following sections briefly discuss findings relating to the current system, delegated authority and the competency-based pay plan. The format of this section contains a question, followed by a discussion of findings, and concludes with an answer to the question.

QUESTION: *Do controls exist to ensure agencies comply with applicable statutes and rules relating to the current system?*

We reviewed statutes relating to personnel classification and discussed with bureau personnel the procedures used by agencies and the bureau to ensure compliance. The following sections outline our findings.

Agencies May Not Fully Comply With Procedures, Policies, Timetables and Standards

Section 2-18-102(2), MCA, provides the department with the ability to delegate to state agencies its authority to classify personnel. Under this statute, agencies must be able to demonstrate the ability to carry out classification policies, procedures, timetables and standards established by the department. The bureau does not currently have procedures to monitor agency compliance. In addition, the bureau's policy is to improve procedures at agencies when problems are found, not to correct classifications. The department believes it is the individual agency director's responsibility to ensure accountability.

In February 1997, the bureau completed a prototype compliance review of classification activities at the Department of Administration. The purpose of the review, known as a delegation audit, was to develop a format for reviewing agency classification actions. This was the only delegation audit completed of agencies with delegated authority since 1990. The audit included a limited review of three classification actions completed by the department. According to the bureau's review, two of the three positions appeared to be classified at a higher grade than indicated by supporting documentation for the classification decision. The audit recommended the classifier improve documentation of classification decisions, but it did not address determining if the position

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classifications were correct. We also determined the bureau has not established a procedure to follow-up on findings of delegation audits. We discussed the audit with department personnel audited. According to department personnel, documentation of classification procedures has not changed as a result of the audit.

Additional audit work by our office could determine if agencies are complying with procedures, policies, standards and timetables used to ensure classification actions are correctly completed.

Documentation of Decisions May Not Demonstrate Internal Equity

Section 2-18-301(6), MCA, requires the department to administer the pay plan on the basis of merit, internal equity, and competitiveness. In the audit discussed above, the documentation of classification decisions reviewed did not adequately demonstrate the classification actions were correct. If documentation of classification actions does not support the classification decision, neither the agency nor the bureau may be able to demonstrate the personnel classification system ensures internal equity.

This may be an issue at all agencies. A review of classification decision documentation could be completed to determine adequacy of support for internal equity.

Bureau Does Not Review Pay Plan Exceptions to Determine Whether Classification Changes Need to be Made

Section 2-18-203(1), MCA, requires the department to continuously review all positions on a regular basis and adjust classifications to reflect significant changes in duties and responsibilities. Bureau personnel indicated the department delegated the responsibility for classification reviews to state agencies. The department no longer reviews positions for significant changes in duties and responsibilities.

We reviewed a list of state pay exceptions generated by the bureau. A number of different classifications were granted various types of pay exceptions over several years. For example, the classification of an administrative support category (pay grade 09) had 19 pay plan exceptions from March 1986 through August 1996 by 10 separate agencies. Another position, programmer analyst, is listed at four different pay grades. Each grade corresponds to increased duties and responsibilities. There were 41 pay plan exceptions granted for

these four categories from February 1985 to July 1997 for 12 separate agencies. Agencies may not know of or consider the actions of other state agencies. System-wide review of these positions and others, by the bureau, may determine if the position's duties and responsibilities have changed significantly, thus requiring adjustment of the overall position classification.

We believe salary differences between agencies for the same position could develop in the system unless statewide classification reviews are conducted. It is possible duties and responsibilities have changed significantly in those positions which require numerous pay plan exceptions over a period of years. Further audit work in this area would help identify the need for additional oversight.

ANSWER: *It does not appear sufficient controls exist to fully ensure compliance with applicable classification system statutes.*

While the department may delegate authority to classify positions to the various agencies, it is statutorily mandated to generally set policy and oversee state personnel administration. The department delegation manual states if there is a dispute within an agency the bureau can provide a secondary opinion . . . , however, the agency retains authority for the classification decision.

The department does not currently monitor or formally evaluate agency compliance with classification laws and rules. Bureau personnel indicated they see the bureau's role as one of training, support and assistance in improving agency classification of state employees. The bureau does not currently have plans to implement formal evaluations of agency compliance. While the bureau established policy to conduct delegation audits, specific procedures and desired results are still undecided and only one audit has been conducted since 1990. Preliminary findings suggest additional controls may be needed to monitor compliance with classification system requirements. The role of the bureau may need to be expanded to assure proper and consistent execution of the classification system.

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QUESTION: *Are pay plan exceptions and agency RIF actions monitored?*

Statutorily, the department is responsible for the state's personnel administration. This responsibility includes encouraging and exercising leadership in development of effective personnel administration through implementation of policies and procedures. During our review, we noted circumstances where classification was impacted by other statutes and rules. Specifically, the department developed rules for pay plan exceptions. Agencies can grant exceptions to the pay plan to overcome recruitment and retention issues.

Another circumstance noted during our review relates to reductions in force. Statutes grant agencies authority to purchase up to three years of retirement service for employees who are laid off as a result of a reduction in force. A requirement, for agencies who utilize this action, is elimination of the position which has been RIF'd.

Controls to Enforce Pay Plan Exception Policy Appear to be Lacking

The Montana Operations Manual (MOM) policy 3-505 (effective May 1, 1994) allows state agencies flexibility in setting employee salaries at higher levels to mitigate difficult recruitment and retention problems. The number of pay plan exceptions an agency can grant for retention purposes is limited to 2 percent of its total authorized FTE as of July 1 of the current fiscal year. For example, if an agency has 100 authorized FTE the agency can grant 2 FTE pay plan exceptions for retention purposes. An agency can grant an unlimited number of exceptions for recruitment issues.

The bureau began maintaining a listing of agencies and exceptions granted in fiscal year 1995-96. Bureau staff also developed a cumulative listing of total exceptions granted to an agency with the intent of determining if agencies are complying with the 2 percent exception rule. Staff indicate they have not yet confirmed this information for all agencies and cannot verify whether agencies comply with the rule. In addition, the bureau does not track the budgetary effects of pay plan exceptions. According to bureau documentation, agencies have granted a total of 1,279 pay plan exceptions. Bureau records indicate eight agencies granted exceptions over 2 percent of total FTE for either recruitment or retention issues. We were unable to determine from bureau documentation if agencies exceeded 2 percent for retention alone.

Our preliminary findings suggest there are no controls in place at the bureau to monitor or enforce the MOM policy on pay plan exception usage. Conducting additional audit work would provide an opportunity to gather more detailed information and complete testing to determine the reasonableness of current MOM policy.

Agency Reduction in Force Actions May Not Comply With the Intent of the Law

Section 19-2-706, MCA, grants state agencies authority to purchase up to three years of additional service for qualified employees which have been “involuntarily terminated because of elimination of the employee’s position as a result of privatization, reorganization of an agency, closure of or a reduction in force at an agency, . . .” An employee must qualify for retirement and waive termination benefits to be eligible for this additional service. At present, the bureau does not track or review agency usage of the RIF provisions.

We obtained a listing from PERD of RIF’d positions. As of August 4, 1997, PERD personnel indicated 16 agencies are purchasing additional service for 164 employees at a cost to the state of \$2,065,634. The bureau does not monitor RIF’d positions to ensure an agency does not refill positions after a reduction in force. We noted a number of agencies on the list buying years of service for employees whose positions may not have been eliminated. It may be possible the agencies are following the letter of the law by eliminating the specific position for the employee who is RIF’d. However, it appears the agencies may then be creating another position with the same duties and responsibilities. As a result, the agencies may not be following the intent of the law, which is to reduce personnel in state service.

Future audit work could be conducted to review RIF’d positions, compare duties and responsibilities of new and old positions, and determine whether RIF’d positions were actually eliminated. In addition, we would determine if the bureau should be responsible for monitoring agency RIF actions.

Issues and Concerns

ANSWER: *Monitoring of pay plan exceptions and RIF activity is limited.*

It appears the bureau has limited controls in place to monitor or ensure agencies comply with rules and statutes governing pay plan exceptions and reductions in force. The bureau does not monitor this activity closely, nor does it track budgetary impacts of pay plan exceptions and RIF buyouts. Almost 10 percent of the state's total FTE have been granted pay plan exceptions. In addition, a number of state agencies are buying retirement service for employees whose positions may not have been eliminated. While further evaluation of agency actions may show the agencies are in compliance with existing personnel statutes, there is limited oversight to ensure the classification system is operating as intended.

QUESTION: *Do adequate resources and procedures exist statewide to develop and implement a new competency-based pay plan?*

Implementation of the proposed competency-based classification system will require retraining of agency classification personnel. Bureau and agency classification personnel indicated it takes a year for a new classifier to become proficient in classification under the current system. Estimates of how long it will take to become proficient in the new system are not available. The bureau is currently in the process of implementing pilot projects which will assist in determining the training and resources required for bureau and agency classification personnel should adoption of the new competency-based classification system occur.

The new system will rely on performance evaluations of employees as the basis for determining employee competencies and related pay. MOM 3-115 states it is state policy that the performance of all permanent executive branch state employees be regularly appraised. Based on interviews with agency classification personnel and past audit experience, not all state agencies conduct formal performance evaluations. Development of performance evaluations and training on proper use would be required as part of implementation of the new plan. We did not analyze whether additional resources would be required to ensure all state agencies complete performance evaluations for the approximately 14,000 FTE currently employed by the state.

Implementation of performance appraisals and training of classification personnel may impact how rapidly the bureau is able to imple-

ment a new system. It may also impact the success of the implementation of the new system.

According to bureau personnel, of the 5.5 FTE responsible for classification, 1.5 to 2 FTE work with the current system, 1 FTE is a pay plan specialist, and the remaining FTE are developing the new competency-based classification system. Currently, the bureau has been able to implement development of the new system and maintain the current system with available resources. Under the current system, the bureau provides training and assistance to agency classification personnel, completes classification actions, renders opinions on agency classification decisions, and conducts classification appeals. However, during our preliminary review we determined the bureau does not currently monitor agency compliance with policies, procedures, standards and timetables and does not complete a review of positions to ensure significant changes are identified. Also, the bureau does limited monitoring of pay plan exceptions and RIF activity. We did not analyze current workload activity to determine if the bureau has the capability of implementing the additional responsibilities of a competency-based system within current resources. Also, we did not determine if shifting current priorities within the bureau would allow implementation of additional responsibilities. These areas could be reviewed as part of a future audit.

ANSWER: *Additional work and decision-making is required to determine the adequacy of agency and bureau resources and procedures.*

Two possibilities exist under the current scenario which the legislature will need to consider:

1. The current system will be maintained, or
2. A new system will be implemented.

If the current system remains in place, the FTE involved with development of the new system will become available to potentially expand bureau monitoring of system operations. If a new system is implemented, the FTE maintaining the current system will no longer have those responsibilities. However, new responsibilities will be created as a result of the new system. A new system would most likely be either the competency-based system currently under development, or a combination of this new system and the current

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system. Additional personnel may be necessary to assist in training agency personnel in performance evaluations and implementation of the new pay plan. Either way, a review of workload requirements will be necessary to determine appropriate resource levels. Thus, a decision must be made regarding implementation of a new competency-based classification system before a determination can be made of the adequacy of agency and bureau resources and procedures.

Summary

Future Audit Recommended

From our limited review of bureau and agency position classification activities, it appears there are minimal controls in place at the bureau to ensure agencies are complying with applicable statutes, rules, and policies. We noted the following circumstances:

- The bureau does not regularly review all positions and adjust classifications to reflect significant changes in duties and responsibilities.
- The bureau does not monitor and evaluate agency pay plan exceptions or RIF'd positions to ensure agencies are complying with established provisions.
- A new competency-based system may require additional personnel to ensure implementation of additional procedures and adequate training of agency personnel occurs.
- If the current classification system is retained, additional monitoring of the system may also impact bureau resources.

According to department officials, the department has made a conscious effort to move towards a consultant/training approach to agency position classification activities as opposed to a monitoring/regulatory role. This has been done at the urging of agency personnel who want assistance from the department, not compliance reviews of their personnel activities.

Based on survey work completed, we believe an audit of personnel classification activities is warranted. During an audit, we would review bureau activities to help assess what the bureau's role and resources should be relative to legislative intent. This would include determining whether the department's position of assisting agencies with classification is consistent with the associated statutes which imply the department is responsible for administering and reviewing a pay plan which assures employee compensation is made on the basis of merit, internal equity, and competitiveness.

A review of the authority of other state agencies to control their classification activities would also be completed to determine the

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extent of controls necessary to ensure proper and equitable classification system operation.

The department, the bureau, and agency representatives are in the process of developing and testing a new pay plan system based on employee knowledge, skills, and abilities. Until department and legislative decisions are made regarding actual implementation of this new competency-based system, we recommend further audit work be postponed. A decision on which system will be in place needs to be made in order to effectively establish audit scope and objectives. Delaying the audit will allow the bureau and agencies time to either implement a new system, or re-evaluate their activities regarding the existing system. This delay will also offer us the opportunity to make appropriate, timely recommendations, allow agencies to properly implement recommendations, and enable the Legislative Audit Division to follow up and report on an up-to-date system.